

EXTENSIONS OF REMARKS

THE WHOLESALE MOTOR FUEL FAIRNESS AND COMPETITION RESTORATION ACT

HON. MIKE THOMPSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 17, 2000

Mr. THOMPSON of California. Mr. Speaker, today I am introducing the "Wholesale Motor Fuel Fairness and Competition Restoration Act," legislation designed to restore fair and competitive practices to the wholesale sale of motor fuel.

Beyond the per barrel price of crude oil, there are a number of other factors that influence the retail pump price Americans pay for gasoline and diesel fuel, including those related to supply, refining, consumer demand and, most important, oil company cost, pricing and marketing practices.

Several cost, pricing and marketing practices employed by the oil companies are unfair and anti-competitive and contribute to the unjustified price Americans pay for fuel. Under the bill I am introducing today, many of them would be expressly prohibited, if not made more difficult. These practices include price zoning, redlining, discriminatory wholesale fuel pricing, and a complex and complicated system of cost allocation the companies use that hide the factors on which wholesale costs are based and published.

Mr. Speaker, for too long, the residents of California's First Congressional District have paid too much for gasoline. For more than a year, they have paid some of the highest pump prices of any region in the country. For more than a year, they have paid well above \$2-a-gallon for regular unleaded gasoline. Many others across the nation face similar unjustified pricing.

Last month, I met with U.S. Energy Secretary Bill Richardson and brought to his attention the unfair situation that confronts the residents of Northern California. I made it clear that I and my constituents were not satisfied with the degree of attention the Department was paying to gas prices in Northern California and I sent both him and the President letters urging them to improve their scrutiny of oil company practices in California.

Nonetheless, it is clear from my discussions with fuel distributors and independent retailers that the wholesale motor fuel market is unfair and anti-competitive. An independent fuel distributor in my district recently related to me that he is charged a price at the terminal facility that is sometimes 30 cents higher than the price charged to company-owned or franchise distributors. Yet, his profit margin on a gallon of gasoline is at times less than one-half a cent!

Another district resident who owns a number of gas stations is also a victim of some of these predatory pricing practices, but in a dif-

ferent way. In his situation, because of pricing discrimination, he buys motor fuel at a high wholesale price and is forced to sell it for less than he paid for it in order to remain competitive.

The bill I am introducing today seeks to stop these unfair and anti-competitive practices.

The "Wholesale Motor Fuel Fairness and Competition Restoration Act" addresses several of the major factors that have been identified by industry experts as contributing to the unfair and unjustified pricing of gasoline, including discriminatory pricing, red-lining, price zoning and company ownership of retail stations.

Discriminatory pricing occurs when terminal facility owners and operators charge different prices for gasoline depending on the type of contractual relationship that the station has with the refinery. In my district for example, motor fuel sold through an oil-company owned station wholesales is sometimes twenty to thirty cents less per gallon than motor fuel being sold to an independent. This is patently unfair and anti-competitive.

Price zoning is a long-standing oil company practice of setting artificially high or low prices in certain areas to either maximize profit or impede competition. If a particular city or even a particular intersection is deemed to be especially profitable, oil companies will artificially inflate the price to gouge consumers or artificially deflate the price to driver competitors out of business. This, too, is unfair.

Redlining is the practice engaged in by a terminal facility of refusing to sell motor fuel to a particular retail outlet that in some cases had previously purchased fuel from that facility in an effort to eliminate or harm competition.

The "Wholesale Motor Fuel Fairness and Competition Restoration Act" uses a two-pronged approach to address these unfair practices. First, it requires full disclosure by oil companies of their wholesale pricing practices. This means that oil companies will be required to reveal their pricing structure, including rebates, refunds, and discounts, so that the American people will finally be able to most fully understand how these companies arrive at the price on the gas station sign. Currently, much of this information is not publicly available nor is collected by the Department of Energy's Information Administration.

Secondly, this bill will make it illegal for companies to discriminate on price. It does this by requiring that the price charged at the terminal facility, where gasoline is loaded on tanker trucks, is the same regardless of who is purchasing it. By eliminating the price discrimination between company-owned stations, franchisees, and independent operators, it will for the first time introduce a level playing field into the motor fuel marketplace.

The third component of this legislation addresses oil company ownership of gas stations by mandating the Federal Trade Commission to undertake a study into the relationship be-

tween ownership of gas stations and the high price of motor fuel.

In Humboldt County, California, pump prices continue to exceed \$2.00 for a gallon of regular (unleaded) gasoline, evidencing the unique position of the major oil companies to exert undue influence on the price of motor fuels. In California, the six major refineries in California control 92% of all oil refining in the state, whereas the top six refineries in Texas control only 60% of that state's gasoline production. This inordinate market domination allows companies to practice discriminatory pricing practices that favor some customers over others. It allows them to target certain markets in order to gain unfair advantage and drive out competitors. It is the kind of market practice that warrants the bill I am proposing today.

Mr. Speaker, the Wholesale Motor Fuel Fairness and Competition Restoration Act will restore fairness and competition to the motor fuel industry, not just in California but across the nation. I urge its prompt consideration.

TRANSPORTATION RECALL ENHANCEMENT, ACCOUNTABILITY, AND DOCUMENTATION (TREAD) ACT

SPEECH OF

HON. TOM SAWYER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 10, 2000

Mr. SAWYER. Mr. Speaker, in the course of the last century, Akron, Ohio, has built millions of tires. Although passenger tires have not been built in Akron for more than 20 years, Akron remains the center point in research and development, technology, and command and control for this global industry. We care deeply about safety and we are profoundly distressed over the deaths linked to the Firestone tires. The Akron community strongly supports the much-needed overhaul of tire regulation and oversight authority embodied in the Transportation Recall Enhancement, Accountability, and Documentation (TREAD) Act.

It is our responsibility to bring tire regulation firmly into the 21st century. The current regulations that make up the Federal Motor Vehicle Safety Standards (FMVSS) Section 109 were written in the mid-1960s, when bias tires still dominated the market. To be fair, National Highway and Transportation Safety Administration (NHTSA) and the tire industry have been working for the last three years to elevate tire standards worldwide.

While we must all work together to demand the safest tire possible, we must also recognize that the industry cannot build a perfect tire. In the early part of the last century, in the days of the Model T, cars carried as many as four spare tires. In the 1950's, there were cars carrying two spares. Today, cars typically

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carry only one. But the point remains: the only backup piece of equipment that comes on a car is a spare tire, and it is there on purpose.

Today's tires are complex products. They are highly engineered devices operating in one of the most extraordinarily violent environments of any consumer product we use in our ordinary daily lives. Modern cars develop 100's of horsepower, 100's of pound-feet of torque. They also possess extraordinary cornering power and a steering capacity unsurpassed in the history of the automobile. Today's cars also have braking systems designed to bring thousands of pounds to a halt rapidly. All these forces express themselves through four patches, each the size of a human hand. That tires perform 700 revolutions per mile, mile after mile to 50,000 miles and beyond with such low rates of failure is extraordinary.

Oliver Wendell Holmes Jr. said, "great cases, like hard cases, make bad law." Congress was put under extraordinary pressure to act quickly on an extremely complex issue in developing the TREAD Act. The TREAD Act should not be viewed as a panacea for the recent car tragedies. While the TREAD Act sets higher standards for tire performance, tires will continue to fail. Because of the imperfect nature of the tire, it will take continual attention from the industry, consumer groups, regulators and Congress to assure the safety of tire consumers above and beyond the TREAD Act.

While Congress cannot legislate a perfect tire, this is good law and improves current safety standards. In spite of the time constraints, intricacy of the issue, and politically charged atmosphere, the TREAD Act sets out realistic standards that improve safety and can also be reasonably implemented by the industry and enforced by NHTSA.

First, the Act requires manufacturers to report comprehensive foreign and domestic tire data, such as claims and warranty information, that will help NHTSA uncover safety problems across the world, not just in the United States.

Second, the Act holds NHTSA accountable for any data it receives from manufacturers. The agency must tell Congress how it plans to analyze the data as well as what systems it has in place to process the data. This way Congress and the public knows that the information will be used to help identify safety problems and not filed away behind some regulators desk.

The TREAD Act presents a balanced approach to improving tire safety. Because of this Act, we can expect that when a problem occurs, it is identified, its cause is established, and consumers are better protected. In the end, we crafted a bill that is a significant achievement and moves toward greatly improving consumer safety.

SPECIAL RECOGNITION OF SAMOAN HEAVYWEIGHT BOXER DAVID TUA

HON. ENI F.H. FALEOMAVEGA

OF AMERICAN SAMOA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 17, 2000

Mr. FALEOMAVEGA. Mr. Speaker, what is it that Olympian gold-medalist volleyballer Eric

Fonoimoana, Junior Seau of the San Diego Chargers, Joe Salvare'a of the Tennessee Titans, Edwin Mulitalo of the Baltimore Ravens, Naomi Mulitauaopele of the Utah Starzz, Marcus Tuaiasopo of the Washington Huskies, All-American UCLA discus thrower Seilala Su'a, Yokozuna Sumo Grand Champion Musashimaru, Ozeki Sumo Champion Konishiki, WWF Wrestling Champion Tui'feai, "The Rock", and heavyweight boxer David Tua all have in common? Mr. Speaker, they are all Samoans. Not Somalians. Mr. Speaker—they are Samoan Polynesians who share the same cultural heritage like the Maoris of New Zealand, the Hawaiians or Kanaka Maoli, Tongans, and Tahitians.

After the elections Mr. Speaker, I suggest to my colleagues and to the millions of boxing fans throughout America, to kick back and turn their TV sets on to HBO and witness one of the most historical events that will transpire on the evening of November 11th in Las Vegas—the world heavyweight boxing championship fight between Lennox Lewis and Samoan heavyweight boxer David Tua.

Mr. Speaker, it is against Samoan tradition to be boastful and arrogant—but as a totally neutral observer and with all due respect—Lennox Lewis is going to painfully wake up the next morning and count how many ribs he has left, and then he will wonder if he was hit by either a dump-truck or a D-nine caterpillar tractor, after fighting against David Tua.

You see, Mr. Speaker, this guy David Tua—he has the heart and soul of a true Polynesian warrior. He's got a nasty left hook and a deadly right hand knockout punch. He only weighs about 250 pounds. He has no neck, and his legs and calves are like tree trunks—which is typical of Samoan men who also wear what we here in America describe as skirts, but they are actually lavalavas.

I want to express my personal thanks and appreciation to the good people of New Zealand—all the pakehas and our Polynesian cousins the Tangata Maohi for looking after David Tua and his family, and for their acceptance of David Tua—and I say to my Maori cousins—"Tena Koutou! Tena Koutou!" Thank you, Thank you!

Mr. Speaker, in describing David Tua's physical presence, I am reminded of a poem that a Hawaiian comedian Frank Delima once wrote about Samoans. By the way, Mr. Speaker, David Tua's favorite past time is writing poetry. Anyway, the poem, in part, is entitled "Abdullah Fata'ai" and it goes like this:

I'm nine feet tall and six feet wide.
I got a neck made of elephant hide
I scrape da haoles off the soles of my feet
I drive my Volkswagen from the back seat

* * * * *

I eat green bananas, tree and all
My favorite game is tackle football
I wear a skirt, but you better not laugh
Cause it won't be funny when I break you in half

I'm as gentle and sweet as a grizzly bear
Only difference is he got more hair

* * * * *

I got the nicest smile in all the Pacific
I got an island home that's super terrific
But I don't like fight and you don't like die
So when I say, "Talofa!" you better say, "Hi!"

Mr. Speaker, I call upon the Prime Minister of the Independent and Sovereign State of Samoa and the Governor of the U.S. Territory of American Samoa to declare November 11th as National David Tua Day. It will be a day that will be remembered by Samoans throughout the world—the Samoan "David" going up against the Goliath "Lennox Lewis"—and we all know the results of that famous encounter.

I do not know if David Tua is listening to this presentation, Mr. Speaker, but I do know that David Tua is a humble man—never speaks ill of his opponents, and I believe the American people and boxing fans around the world are going to remember him well for his talents, and above all, his sportsmanship like conduct.

As we say in the Samoan language, (the gentleman spoke in Samoan) "la pouliuli lou tino, ma ia malamalama ou mata, ma tafe toto ou ala—ou mama na, David Tua," which means, Mr. Speaker, "May your body be as invisible as the air and may your eyes be as bright as the sun. May you be victorious in battle—all our hopes and aspirations are with you, David Tua."

PAUL HAMM'S 2000 SUMMER OLYMPIC PERFORMANCE APPLAUDED

HON. GERALD D. KLECZKA

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 17, 2000

Mr. KLECZKA. Mr. Speaker, I rise today to honor an outstanding young man from my district who has recently returned from Sydney, Australia, where he represented his country proudly in Olympic competition. In August Paul Hamm, along with his brother Morgan, became the first set of twins to ever qualify for the United States' men's gymnastics team. At 18, the young men from Waukesha, Wisconsin, are also the second youngest male gymnasts in U.S. Olympic history.

Paul's overall performance earned him a 14th place finish in the all around competition. The Olympics are always a time of pride in our nation's athletes, however this was especially true for the people of southeastern Wisconsin this summer. Paul and Morgan's story gave us all another reason to watch and cheer for two of our own.

Paul has put years of hard work and dedication into perfecting the skills that have taken him to the pinnacle of his sport. He has worked with his coach, Stacy Maloney, since the age of six to earn the right to compete with the best in the world. To reach the Olympic stature at such a young age and with relatively little experience in major events is truly amazing.

Of course Paul would not have been able to reach the heights that he has attained without a strong support system. The natural competition he had with his brother Morgan pushed them both to be their best. Their parents, Sandy and Cecily, are to be commended for the sacrifices that they have made to help their sons reach their goals. From the time Sandy convinced Stacy Maloney to coach his six year old sons to the trip to Sydney, the Hamms have provided their sons with the opportunity to excel.